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M36

Jan - June 1986



URBAN/MUNICIPAL

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Interim Report of the
Business Development
Division (Draft copy of
the Mid-year Report)
Jan - June 1986

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M36 1986

INTERIM BUSINESS DEVELOPMENT

REPORT

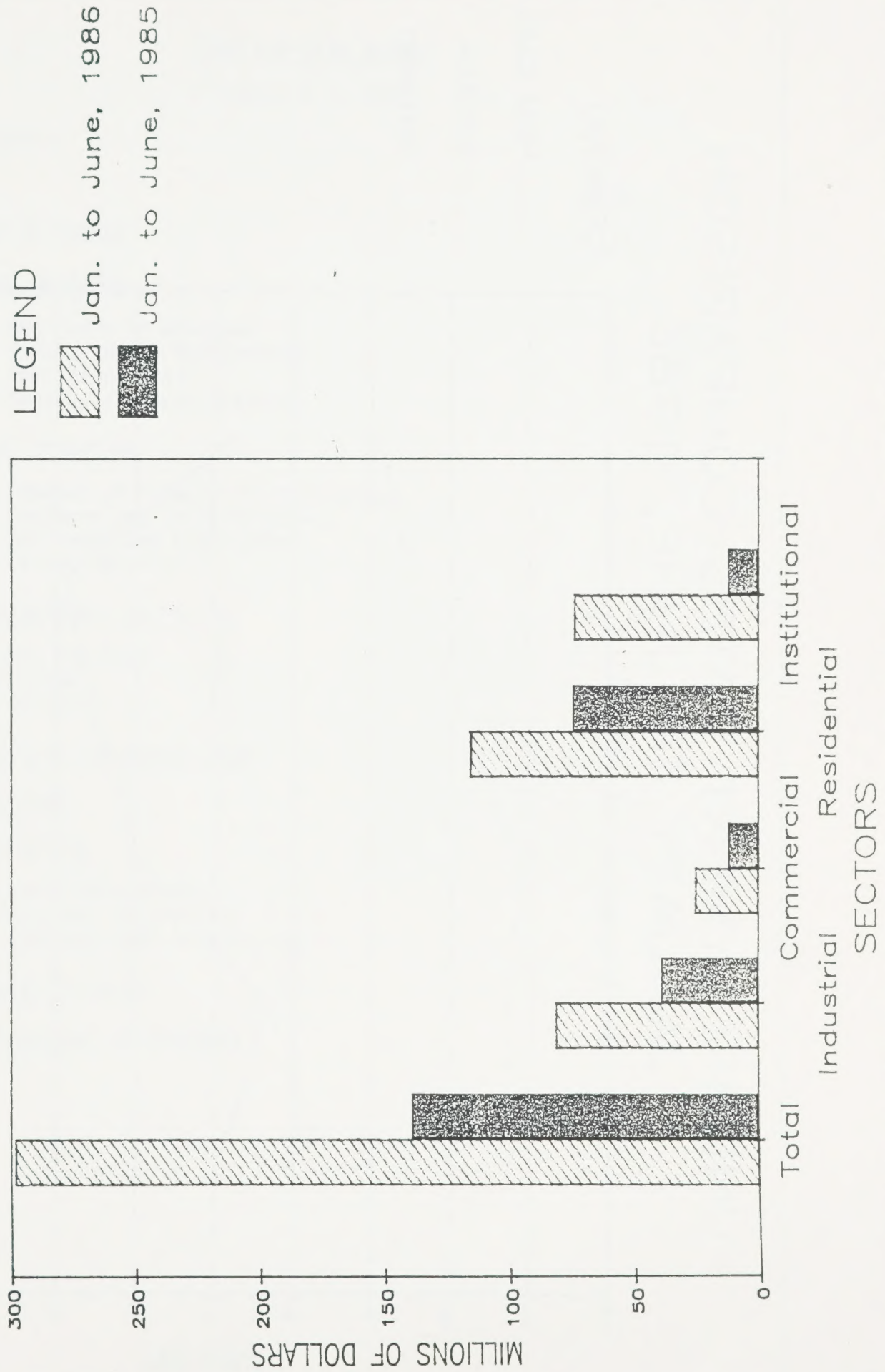
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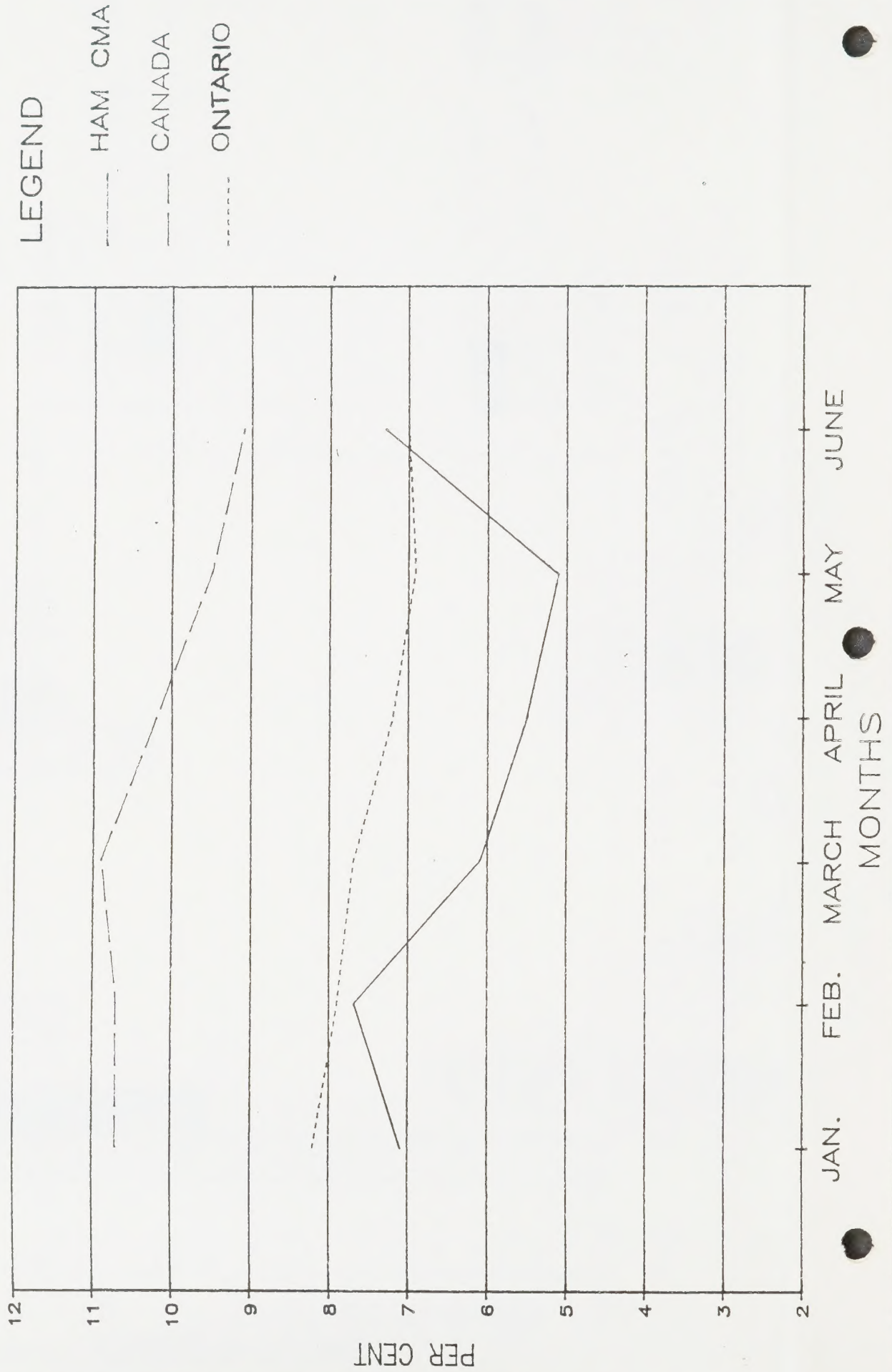
BUILDING PERMITS COMPARISON Jan. to May, 1985 and 1986



BUILDING PERMITS COMPARISON Jan. to June, 1985 and 1986



UNEMPLOYMENT RATES COMPARISON JANUARY TO JUNE, 1986



1986 MID-YEAR REPORT

PROGRESS TO DATE

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A. LOCAL ACTIVITY

The following twenty firms requested assistance from the Department and have now completed their investments. They do not represent all of the firms in Hamilton-Wentworth which expanded, located or relocated within the Region.

A summary in chart form of local activity follows at the end of the text portion of Section A.

A.1 New Firms or Branches

1. Hullmen Industries, formerly of Burlington, has located in Waterdown. This firm is involved in welding, fabricating and metal fitting. Employment is expected to increase from the existing level of three employees.
2. Bio-Medi Equipment Incorporated contacted this Department and the Planning and Development Department through then Mayor Don Weylie in January, 1985. The firm located on Highway #6 anticipating increased airport activity in the future. A rezoning was initiated and passed allowing the firm to relocate from Caledonia. In another matter, staff are in touch with Mr. Kleiner, president of the company, regarding a joint venture or licensing arrangement with firms from Germany.
3. La Pantolfola d'Oro Canada Inc. has recently commenced manufacturing soccer boots in Hamilton under license from the Italian parent company. The firm is located in 12,000 square feet and initially is employing 12 to 15 people. It is expected that employment will increase substantially over the coming months.
4. A firm from West Germany has established a new operation in Hamilton-Wentworth as a result of staff participation in trade missions to Europe. Sunday Windows will be extruding components for P.V.C. windows and doors. Staff were instrumental in assisting with customs clearances for machinery and equipment.
5. Premiere Plastics, which has located in a portion of the former Allan Industries Building, is producing plastic bottles for detergent, cosmetics and fragrance industries. Employment now stands at about 45 but is expected to increase substantially.
6. In September 1985, Mr. Ron Hartman of Wines Incorporated from Akron, Ohio, contacted this Department to assist in finding a location. With the assistance of a local realtor and law firm, the company found an appropriate site in Hamilton and became incorporated as Lindstrom Beer and Wine Making Supplies Ltd. in May, 1986.
7. Sunezco is the Canadian incorporated branch company established by Westasfahl of West Germany for the distribution of steel. Staff assisted with immigration processing and finding an office in Hamilton. When fully operational, the firm will have invested about \$1 million and employ up to 60 people.

8. Ocean Cruising Yachts, formerly of Montreal, has located on Harbour Commission land. The Company is situated in 6,000 square feet of building and has invested upwards of \$500,000 in plant and equipment. Ten people are employed on site. The firm manufactures and repairs world-class yachts. Ocean Cruising Yachts chose Hamilton-Wentworth because of its central location on the Great Lakes and proximity to North American markets.
9. Ulrich Haase of Haase Steel Industries Ltd., Sault Ste. Marie requested the department's assistance in a search for an appropriate building for his steel fabricating/machine shop operation, which he was moving to the Region. Mr. Haase has obtained a suitable 4,000 square feet building on Arvin Avenue in Stoney Creek. Initially six employees will be working in the shop.
10. Walter Sulug of The Chamberlain Exchange Group Limited contacted the department regarding the opening of a foreign currency exchange office in Hamilton. The company has located in Jackson Square and is now open for business. Two employees manage the office. Chairman Wm. Sears was present to congratulate the firm and help them celebrate their grand opening.

A.2 Expansions or Relocations

1. Economic Development staff were involved along with the provincial Ministry of Industry, Trade and Technology in assisting Hamilton Engraving acquire new machinery and equipment. Also a small expansion has taken place to accommodate increased business. The Department is continuing to work with the firm as far as new developments are concerned.
2. Miles Collision asked the Department for assistance in finding a suitable site to relocate. After an extensive search and numerous by-law inquiries, the firm relocated to Nebo Road in Hamilton.
3. Staff were involved in assisting Hamilton Lumber locate a new site in the Region. Property has been purchased and approximately 40,000 square feet of retail and warehousing space will be constructed in Stoney Creek in the summer of 1986.
4. In 1984 Bella Pasta contacted this Department for assistance in presenting a business plan to the I.R.D.P. personnel in Toronto. Although plans have been scaled down the firm has moved into a new location in east Hamilton. Employment is presently at 22 but will be growing as the firm settles into new premises.
5. Peregrine Yachts manufactures and repairs aluminum craft. Recently the firm relocated to Cascade Avenue. An increase in employment to correspond with the increased space is anticipated. The firm has a broad national market and is exploring opportunities in the United States.

6. Ross Baxter of Ross' Reefer Service contacted this Department in May of 1984 seeking assistance to find new land to house his expanded business. The company was referred to Mike Watson of the Hamilton Real Estate Department. The firm expects to occupy the new structure in Keefer Court by the end of June, 1986. It has doubled its space and expects employment will increase in the new year.
7. Universal Handling, manufacturers of disposal units, has completed a \$200,000 office expansion at its Burland Crescent, Hamilton plant.
8. Peter Vanriezen of Grimsby Linen Manufacturers asked the department for assistance in looking for a parcel of land on which to build a plant. The company, manufacturers of infant bedding, has purchased a 16,000 square feet building on 1.3 acres on Grays Road in Stoney Creek. Twenty-five employees are expected to be added to the staff of 50.
9. Child's Truck Bodies has recently completed a \$104,000 expansion at its Arvin Avenue operation in Stoney Creek. The company has added eight more employees to its staff of 30.
10. Nelson Steel, a steel service centre, has completed a \$2.1 million expansion of its Arvin Avenue operation in Stoney Creek.

A.3 Operations Lost

1. Robinson Cone has announced that it will relocate to Burlington. The reason cited is that there were no acceptable properties in Hamilton-Wentworth close to public transit. Also the firm has owned property in Burlington since approximately 1979.
2. Slacan (Division of Slater Steel) has announced that it will relocate to Brantford. The threat of an O.M.B. hearing on the land selected in Stoney Creek forced the company to abandon its plans there. A rezoning requirement would have taken a longer time than they could afford to wait.
3. The carton manufacturing operations of Reid-Dominion are being relocated to Mississauga. It is unclear as to how many jobs will be lost to Hamilton-Wentworth employees, but the company indicates that as many as possible will be transferred to the Mississauga plant. The company's head office and gravure operations will continue to operate out of the Parkdale Avenue premises.

A.4 Summary of Local Activity

<u>Company Name/ Location</u>	<u>Product or Service</u>	<u>Approx. New Employment</u>
Hamilton Engraving, Hamilton	Circuit Boards	3
Bio-Medi Equipment, Glanbrook	Medical/Dental Supplies	4

<u>Company Name/ Location</u>	<u>Product or Service</u>	<u>Approx. New Employment</u>
La Pantofola d'Oro, Hamilton	Sports boots	15
Sunday Windows, Hamilton	P.V.C. Windows and Doors Extrusions	4
Premiere Plastics, Hamilton	Plastic Containers	45
Ocean Cruising Yachts, Hamilton	Custom sailing craft	20
Miles Collison, Hamilton	Auto repairs	No Change
Hamilton Lumber, Hamilton	Retail home supplies	No Change
Hullman Industries, Hamilton	Custom welding and fabricating	3
Bella Pasta, Hamilton	Pasta products, wholesale	5
Peregrine Yachts, Hamilton	Custom aluminum yachts	5
Ross' Reefer Service, Hamilton	Truck refrigeration repair and service	No Change
Sunezco	Steel distribution centre	3
Grimsby Linen Manufacturers	Infant bedding	25
Universal Handling	Manufacture disposal units	No Change
Chamberlain Exchange Group Limited	Foreign currency exchange	2
Haase Steel Industries Ltd.	Steel Fabricating/Machine Shop	6
Lindstrom Bear and Wine Making Supplies Ltd.	Home brewing and wine making	3
Child's Truck Bodies	Truck Boxes	8
Nelson Steel	Steel warehousing	No change

B. LOCAL PROMOTION

B.1 Chamber of Commerce Participation

As in years past, staff has attended and participated in Chamber of Commerce committees and functions. Four Chambers exist in Hamilton-Wentworth; The Hamilton and District, Stoney Creek, Flamborough and the Canadian/Italian. Staff is involved at the committee level of the Hamilton and District Chamber, i.e. Business Development, International Trade, Tourism Development and the Dundas Division.

B.2 Seminars and Trade Missions

In January the Hamilton and District Chamber of Commerce co-hosted a seminar with the Investment Canada branch of the federal department of Industry, Trade and Commerce. The theme of the seminar was "Canada is open for business". Renewed efforts on the part of the federal government will be made to attract industry and investment.

Another tool which the Region will employ in the development and attraction of industry is the refurbished airport at Mount Hope. In this regard, the Region and federal government hosted a "grand opening" of the Airport with the Honourable Don Mazankowski, Minister of Transport, performing the official duties. Guests from across southern Ontario and beyond were present as Councillor Henry Merling chaired the celebrations.

In February, regional staff along with representatives from Ancaster, Flamborough, Glanbrook, Stoney Creek and the Hamilton Harbour Commission, participated in a trade show and seminar held in Toronto. Site Selection '86 was attended by the Chairmen, Mayors and Councillors from most municipalities in Southern Ontario.

Also in February staff attended a seminar hosted by the Honourable Flora MacDonald, Minister of Employment and Immigration. The theme was federal government plans for sustained employment, particularly for youth in Canada.

The Export Market Place seminar was hosted by the Department of Regional Industrial Expansion. The federal and provincial governments' roles in developing export trade were explained along with an examination of programmes available to industry to develop export markets.

In May, the Ontario Ministry of Industry Trade and Technology hosted a seminar on "Doing Business in China". The keynote speaker was the Honourable Hugh O'Neil, Minister. Panelists discussed the problems and opportunities which exist in China.

B.3 Brochures and Literature

A revised and improved Regional brochure was unveiled in April. The format is based on the previous Talk About a Great Place and is named Look At Us Now. Apart from the English text, the brochure includes Chinese, Japanese, Italian and German copy as well. The approach of the brochure remains in a testimonial format where corporate leaders comment favourably on the locational qualities found in Hamilton-Wentworth. In tandem with these revisions was the updating and translations of our promotional 16 mm film and video cassettes in super 8, beta and VHS format.

The Hamilton-Wentworth Business Directory is now into its final stages of revisions. A new format will make the publication simpler to use and more readable.

Two Skyline newsletters have been produced this year. The March issue introduced new Regional Chairman Wm. L. Sears, and the new Council. It outlined the service to small business of the Business Advisory Centre. The June Skyline featured expanded and relocated business in the Region.

The writing of Industrial Park Brochures is proceeding. The plan is to produce an attractive brochure for each of the five municipality-owned parks providing maps, aerial photographs and other vital information pertaining to each site. This will become the basic tool for selling industrial land.

B.4 Client Services

Staff continues to interact with new and existing businesses via mail, telephone, various association meetings and personal visits. Information is relayed to investors and entrepreneurs concerning identified opportunities such as joint venture possibilities.

A special emphasis on business retention and local development has resulted in a significant local visitation program being undertaken this year. As of May 31st, 1986, 110 businesses had been called upon throughout the Region. Follow up action requiring staff to respond to a variety of problems and complaints was necessary in over forty instances. Many calls resulted in discoveries of plans for company expansion or relocation. Firms considering relocating from the Region could then be persuaded to stay.

Staff have generally been well received by firms visited and have usually been able to rectify problems mentioned by firms. The most frequent complaints have been of government red tape, high taxes and lack of suitable trained labour amidst a myriad of concerns noted.

C. INTERNATIONAL MARKETING

The past few years have seen regional elected officials and/or staff embark on business missions to the Far East and Europe. A particular emphasis has been placed on Hong Kong and West Germany. Immigration statistics show that more investors are coming from those two parts of the world than all other countries combined. Hong Kong and West Germany have been identified as the "hot spots" for investment opportunities. Accordingly, the Region has targeted them as major destinations when seeking new investment for Hamilton-Wentworth.

C. 1 The Far East

Two business missions to the Pacific Rim had been planned for 1986. The first took place in May when Councillor Paul Cowell and staff renewed business contacts and generated new opportunities in Hong Kong. During the seven days in Hong Kong, nineteen meetings (plus follow-ups) were held. Canada continues to attract investment from Hong Kong and it is imperative that Hamilton-Wentworth maintain its hard earned profile in that market place. The second trip is tentatively slated for October or November.

Meetings with senior representatives from the federal and provincial governments were held in order that the Region remain fully apprised of events and trends within Hong Kong regarding entrepreneurs and their investments. Mr. Jim Humphries, First Secretary, Business and Investment Immigration for the Commission for Canada and Mr. Ray Smart, Area Director for the Ontario Ministry of Industry, Trade and Technology, were very receptive and encouraging. Their support and constructive suggestions are an integral part of doing business in Hong Kong. As well, business meetings held with numerous entrepreneurs were positive but confirmed that promotional efforts must continue in that area if the programme is to succeed.

A detailed report of activities was presented to Committee and Council in June, 1986. The following is a summary of contacts made:

Small electrical appliance makers are looking for joint ventures with Hamilton-Wentworth firms.

Electronics, toy and plastic firm seeking joint venture partner.

Firm hoping to invest in established company that is involved in international trading operation with export to Pacific Rim anticipated.

The owner of one of Hong Kong's major engineering companies is heading a consortium of investors looking for Hamilton-Wentworth opportunities. Some possible ventures have been exposed to the group.

Knitting and dyeing firm hoping to establish second operation in Canada.

A local firm has been put in touch with Hong Kong company to discuss the manufacture of vinyl coverings.

Enquiries regarding metal plating operations have been received and staff are seeking joint venture partners in Hamilton-Wentworth.

A fashion garment manufacturer is seeking a location in Hamilton-Wentworth but the time frame is a year or more distant.

A firm involved in manufacturing VCR cassette tapes is looking to establish a plant in Hamilton-Wentworth area.

Two entrepreneurs are hoping to establish a chemical company related to the paper industry.

A local Hamilton-Wentworth firm has been put in touch with Hong Kong investors in order to expand Canadian and export markets.

The development of the contacts noted above is the result of continual and diligent efforts on the part of Planning and Economic Development Committee Chairman Paul Cowell who has been supported and encouraged by Committee and Council members over the years since 1983.

C.2 Europe

Regional Chairman Wm. Sears, accompanied by staff, conducted high level meetings with senior government officials and businessmen in Germany and Italy in April, 1986. The purpose of the mission was to initiate new contacts and to follow-up on those previously developed during earlier missions.

Trade fairs in Hanover and Milan were attended and many qualified contacts were made. In Greater Hanover, discussions were held regarding the promotion of trade and cultural ties between that Region and Hamilton-Wentworth.

Four German firms were contacted with a view to attracting new investment to the Region. The companies are involved in window manufacturing, fish farming equipment, wooden doors and panels, and plastic profile extrusions. Chairman Sears was received by Mrs. Ursula Kraus, the Mayor of the City of Wuppertal.

The Wood and Plastics Craft Association of the north Rhein-Westfalia Region has expressed an interest in doing business in our Region. A mini-fair was proposed whereby the German firms would show their product lines in Hamilton-Wentworth. The fair would provide an opportunity for Association members to identify local potential joint venture or licensing partners. Alternatively, arrangements could be made to allow German firms to participate in the Hamilton Home Show to be held in March, 1987.

Chairman Sears and staff met with the Honourable Hugh O'Neil, Minister of Industry and Trade and Technology, and his senior staff from Frankfurt office to discuss mutual cooperation in the promotion of Ontario and the Region.

In Milan, a meeting was held with senior staff of the Banca Commerciale Italiana. This was a follow-up to meetings held in Hamilton-Wentworth regarding the establishment of a branch here.

Six firms were contacted in Italy. Their various products include metering instruments, security alarm systems, all-terrain vehicles, machine shops, tool and die manufacturing and heavy machinery design and manufacturing. Those firms are seeking local partners with whom they may form some kind of business relationship. In that regard, local firms are being contacted and an ad was placed in the Hamilton Spectator.

C. 3 Twinning

Preliminary discussions were held between Chairman Sears and the Council members of Greater Hannover in Germany regarding the possibility of establishing a closer relationship based on mutual long term economic benefits. The Greater Hannover Council is interested and it was agreed that the chairman of that Region will visit our Region in July, 1986, to further pursue the subject.

D. MUNICIPAL INDUSTRIAL LAND

Table 6 indicates that municipal industrial land sales have already out-paced previous years. Supplementing the recorded sales and options, an additional six transactions are pending involving over six acres.

Continued efforts by staff in marketing municipal industrial land should result in further sales. A number of inquiries received by staff are expected to materialize as sales prior to the end of the year.

E. INQUIRIES

The accompanying chart shows the status of inquiries as at the end of June 1986.

<u>Type of Inquiry</u>	<u>STATUS</u>			
	<u>Total</u>	<u>Active</u>	<u>Dropped</u>	<u>Completed</u>
Cold Calls	65	53	4	8
Referrals	34	29	5	3
Direct Mail	1	1	--	--
Advertisements	3	3	--	--
Trade Fairs	4	3	1	--
TOTAL	107	89	7	11

NOTE:

The eleven completed inquiries were initiated in 1986. In addition to these are nine more companies whose files were started in previous years but who completed their investments by the end of June of 1986.

3. Staff have continued their assistance to the Ad Hoc Steering Committee of the Canada Steel Science and Technology Museum. Meetings have been held with representatives of the Ontario Ministry of Citizenship and Culture (M.C.C.), including the Honourable Lily Munroe, and with Federal M.P. Peter Peterson. Senior level government support of the project has been indicated.

A terms of reference to undertake a feasibility study has been drafted, and approved by the M.C.C. Calls for proposals have been sent to consultants with an expertise in this field. It is expected that the feasibility study will commence by August of this year. Funds for the study are expected from a M.C.C. Community Facility Improvement Program grant and from the Federal government.

H. PROFESSIONAL CONFERENCES

Staff attended three Ontario Industrial Development Council conferences. The purpose of the meetings was to make staff aware of new programmes or policy changes at the senior government level or to discover new techniques in the performance of their duties.

The Region hosted the American Economic Development Council's annual meeting where members discussed bi-lateral trade opportunities between the two countries. The conference was a complete success.

The Federation of Canadian Municipalities held its annual conference in Hamilton-Wentworth. The organization and facilities were first class and rave reviews were received from all quarters.

Staff attended courses at the University of Waterloo. The ultimate aim is to raise the level of expertise among staff members so that they can deal with changing industrial patterns, both locally and nationally.

F. ADVERTISING

The main component of the Regional advertising campaign was the hard hat ad, which was placed with the view to increase awareness and invite inquiries about the Region. Other ads were placed with the Hamilton Spectator and Brabant publications regarding joint venture and licensing opportunities. Local magazines were utilized to advertise Hamilton Airport. Staff participated in the production of a Financial Post supplement published in April. In addition, the Region received valuable media coverage in Business & Finance (February) in Ontario, and Travelling on Business (March).

International advertising was placed in specialized magazines in selected markets to obtain maximum cost benefit and greater impact.

1. Local Advertising

- * Hamilton & District Chamber of Commerce Panorama
- * Hamilton Cue Magazine
- * Hamilton This Month
- * Woman's View
- * Better Business Directory
- * The Hamilton Spectator
- * Brabant Publications (6)
- * The Golden Guide
- * Hamilton Report

2. National Advertising

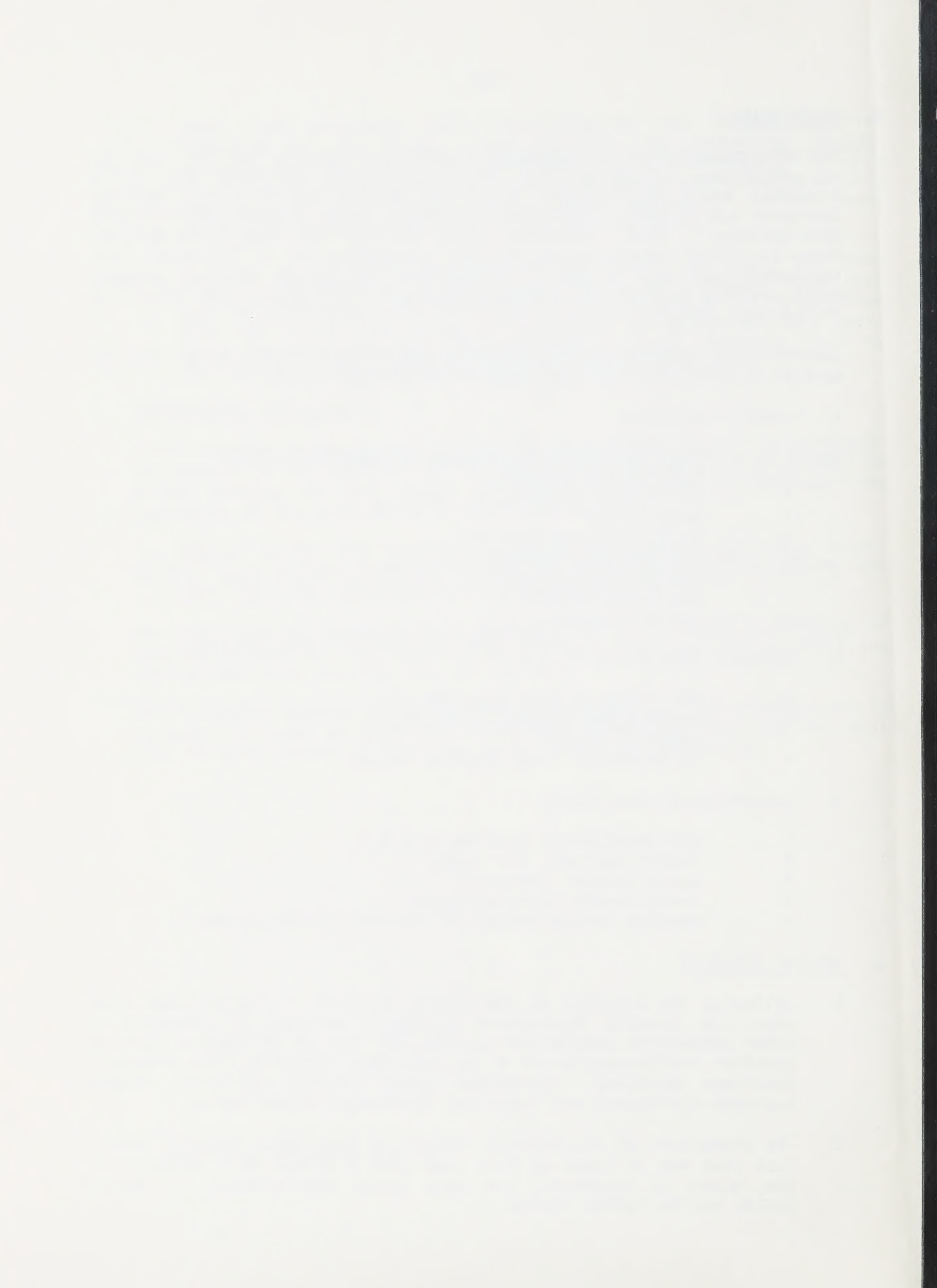
- * The Financial Post (Supplement)
- * Business and Finance in Ontario
- * Business Journal
- * The Financial Times (Special Issue)

3. International Advertising

- * Area Development Magazine (U.S.A.)
- * Pacific Business (Far East)
- * Canada Journal (Germany)
- * Invest Canada (International)
- * Canadian German Chamber of Commerce (Canada/Germany)

G. SPECIAL PROJECTS

1. Following the creation of the highly regarded Toyota proposal last year, the Economic Development Department embarked on proposals to other automobile manufacturers, with the view of persuading each to consider Hamilton-Wentworth as an investment location. The proposals contained pertinent information about quality of life, viable business environment and locational advantages of the Region.
2. The production of the Region's attractive Auto Parts Industry report last year was followed up this year with a direct mail campaign of the report to automobile and auto parts manufacturers in Japan, Canada and the United States.





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